

EXHIBIT 20

Page 1

1 **C O N F I D E N T I A L**

2 UNITED STATES DISTRICT COURT

3 SOUTHERN DISTRICT OF NEW YORK

4 _____ x

5 THE AUTHORS GUILD, et al.,

6

7 | Plaintiffs,

8 - against- Master File No. .

05 CV 8136-DC

10

11 GOOGLE, INC.,

12 Defendant.

13 -----x

14

15 June 8, 2012

16 9:30 a.m.

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1 J.A. Chevalier - C O N F I D E N T I A L

2 new goods; is that right?

3 A. Correct.

4 Q. So this is, again, your analysis here
5 is part of the economic theory involving the
6 development of new goods?

7 A. Correct.

8 MS. ZACK: We can take a break for
9 lunch.

10 MR. McGOWAN: Before we do that, let
11 me note for the record, the document number
12 you asked for is Google 05004751.

13 MS. ZACK: I know what that is, so
14 that's the big long list.

15 (Luncheon recess: 12:26 p.m.)

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1 J.A. Chevalier - C O N F I D E N T I A L

2 A F T E R N O O N S E S S I O N

3 (Time noted: 1:15 p.m.)

4 J U D I T H A. C H E V A L I E R, resumed
5 and testified as follows:

6 C O N T I N U E D E X A M I N A T I O N

7 B Y Z A C K :

8 Q. Referring you to page 9 of your
9 report, please? You have discussion throughout
10 this section about Google Books as a complement,
11 not substitute?

12 A. Correct.

13 Q. And which you talk about the fact
14 that books get noticed, etcetera --

15 A. Correct.

16 Q. -- through Google Books, and that
17 that's a benefit. You conclude that's a benefit
18 to authors; right?

19 A. Correct.

20 Q. That benefit is virtually exclusive
21 to in-print authors; correct?

22 A. I wouldn't say that. I think
23 in-print authors will benefit more, but
24 out-of-print authors may benefit under certain
25 circumstances.

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1 J.A. Chevalier - C O N F I D E N T I A L

2 Q. Can you tell me those circumstances
3 in which you think they'll benefit, given the
4 way Google Books works?

5 A. Yes. So I think they will benefit in
6 a number of circumstances. One would be if,
7 even though some of the authors' books are out
8 of print and some of the books -- if in
9 circumstances where some of the authors' books
10 are out of print and other of the authors' books
11 are in print, consumers may, you know, if they
12 discover a book they're interested in via Google
13 Books, that might lead them to other books by
14 those authors.

15 It may lead them to other books on
16 the same topic, probably benefitting different
17 authors. But I think also, there are some
18 mechanisms and those mechanisms, I think, are
19 becoming more relevant in the marketplace, where
20 if consumers, say, buy used books on Amazon and,
21 you know, there are used books on Amazon that
22 are selling for very high prices because there's
23 a demand for the book to come back into print.

24 There may be circumstances in which,
25 you know, a book could be driven back into print

1 J.A. Chevalier - C O N F I D E N T I A L
2 by consumer demand.

3 Q. That's true whether there is or isn't
4 Google Books; isn't it?

5 A. That's true whether there is or there
6 isn't Google Books, but it's my testimony that
7 Google Books helps drive consumer demand for
8 books.

9 Q. So if consumers are buying used books
10 on Amazon, that helps drive consumer books for
11 new books by those authors?

12 A. I'm saying that -- I said, I think,
13 two distinct things. The consumer may look for
14 other books by the same author.

15 And, you know, when consumers buy
16 used books on Amazon, when used books, you know,
17 when it becomes apparent that there's a lot of
18 demand for a used book, that may assist in
19 bringing the book back into print.

20 Q. How does the author know if there's a
21 lot of demand for a used book on Amazon?

22 A. Well, for example, the price at which
23 the book is selling in the Amazon Marketplace,
24 reflects the, reflects the supply and demand of
25 the book.

1 J.A. Chevalier - C O N F I D E N T I A L

2 Q. Right, so it could have a high price
3 because it's in rare supply, but that doesn't
4 mean there's a lot of demand; does it?

5 A. If there's a high price for the book,
6 and, you know, I suppose it's possible that a
7 seller posted a high price for the book and
8 never sells it, but if transactions are taking
9 place at a high price, that means that there's
10 high demand relative to supply.

11 Q. Is that reported to authors or
12 publishers?

13 A. An author could easily look that up.

14 Q. Could easily look it up where? Have
15 you looked it up?

16 A. Yes, so if you go to Amazon and you
17 look at Amazon Marketplace, you would see -- and
18 I would do this, I would advise, ff I were an
19 author doing this for other book sellers too, I
20 would look at the copies of my used book, and
21 the prices that they're selling for.

22 Q. Does that functionality tell you the
23 prices that -- the actual sales prices?

24 A. So it tells you the prices that
25 sellers have posted. If you, if you were to,